



DRAFT SBR PROPOSAL
January 7, 2001

Regarding an IXC/SBR working relationship under the Third Order, in which the IXCs would request reimbursement only for completed calls not covered by direct payment contracts.

This proposal is intended to provide the next step in the discussion as to how to achieve a reasonable, workable system of PCC payments for all compensable calls.

SUMMARY

This proposal provides IXCs and the PSPs with information that will allow them to identify the SBRs that are receiving calls from each PSP's payphones and the volumes of such calls. As part of this system, SBRs will provide (either through the IXC or directly to PSPs) the 800 numbers assigned to SBRs and used for access (debit card or otherwise), along with contact information so that PSPs will know who to contact at the SBR to discuss any suspected irregularities in payments.

SBRs will provide certification from an officer of the corporation regarding ability to track and accurately pay for completed calls.

SBRs will provide IXCs and PSPs with completed call detail records and in a mutually acceptable format. We are exploring the practicality of providing this data via an accessible website, perhaps in a short period of time after calls are made. This will enable PSPs to place test calls and then verify the accuracy of a SBR's tracking mechanisms.

The SBRs agree:

1. A generally accepted data transfer format is acceptable to SBRs. The EMI format discussed in AT&T's Reply Comments is acceptable.

2. There is no apparent technical reason for the IXC's to require records of calls not completed, and the Third Order requires only the provision of completed call CDRs.
3. A dispute resolution system be established that would provide rapid settlement of payment disputes, and alternate third-party arbitration.
4. Formal audits can be obtained under the dispute resolution process as a normal means of discovery, and the entity seeking the audits will cover all direct costs of them, unless the SBR is found in substantial noncompliance.
5. SBRs agree to assume liability for compensation due for all completed, compensable calls routed to them by an IXC for which compensation has not been otherwise paid due to an error in an SBR's call tracking data.
6. Until an agreement on data transfer and verification can be reached, SBRs cannot agree to any so-called "default factor."

DATA TRANSFER

Each IXC will send each SBR a record of all payphone calls it has routed to the SBR showing the originating ANI and all other data necessary to identify each call. The SBR will provide the IXC with CDRs for all completed calls, which contain the originating ANI, the payphone-specific info-digit received, and the date and time of the completed call. SBRs note that providing records of uncompleted calls is unnecessary under the Third Order. We note that if the IXC sends a complete record of all calls routed to the SBR, that record will contain all of these data elements, other than whether the call was completed; that is all that the SBR needs to add. The IXC will then know which calls are incomplete and will have all of the data it needs for those calls as well.

In addition, SBRs will indicate to the IXC which calls are covered by direct-payment contracts with PSPs along with the CDRs documenting PCC liability. There is no need for such identification of calls or ANIs covered by contracts prior to the SBR's provision of CDRs for all completed calls. For an SBR to provide ANIs of PSPs with which it has a direct payment agreement prior to such time would introduce a significant risk of error, and impose subsequent costs of correction, given the high churn rate in a given PSP's list of numbers. In addition, requiring an SBR to provide such an ANI list to an IXC in advance would be the equivalent of providing its competitor with a list of its customers.

TIME PERIODS FOR DATA TRANSFER

SBRs can provide data within time frame requested – no earlier than one month following receipt of the IXC call data mentioned above, or, as in the AT&T proposal, the 25th of the following month, whichever is later. We note that this issue may also be negotiated between given IXC's and SBRs.

There may be instances in which an SBR does not provide the data in a timely manner. We believe that the most practical approach would be to jointly develop a sliding scale penalty process – particularly, if data is not provided in sufficient time so that the IXC can fulfill its obligations to the PSPs.

DATA VERIFICATION

The SBRs' monthly provision of completed call detail records, as discussed above, will greatly facilitate data verification. In addition:

SBRs will agree to store raw switch data for a minimum of nine quarters;

SBRs will provide certification by a corporate officer of the accuracy of the data and the integrity of the SBR's systems;

SBRs will authorize the release all 800 access numbers and contact information to PSPs and will also make those lists directly available to the PSPs on request;

SBRs will commit to conform to the dispute resolution process below, which provides access to all raw data;

SBRs will agree to a mechanism to allow PSPs review payment and call completion records a given 800 number. We have requested technical advice on a process that would be expeditious and practical. They may include the following Internet option:

The Internet option. Initial inquiries indicate that it may be possible to have SBR call data information posted on secure websites which could be accessible via password to PSPs or PSP clearinghouses. The system would allow rapid access to determine if an SBR's switch and programs were accurately recording CDRs of completed calls for purposes of PCC. There are some considerations which we believe can be successfully addressed, but at this time have not been addressed:

1. Cost. This will depend, in part, on programming requirements, storage capacity and the sorting requirements of the PSPs. But, the largest cost factor may be the frequency of the use of the system by authorized inquirers. Granted, we expect such costs to be higher at the inauguration of the system, and decline as experience is gained. We are seeking cost estimates.
2. Establishing a security regimen. Within the CDRs is proprietary information which could be of assistance to competitors of an SBR, and, similarly, there are concerns of personal privacy. There is significant liability involved with the unauthorized disclosure of a given phonecard user's call information. Access would have to be restricted to those who agree to respect the confidentiality of the information and limit its use to PCC-reconciliation purposes.

3. The cost and ability of smaller SBRs to be able to conform to requirements of such a system.
4. The time frame of establishing the program. Initial indications are that those SBRs with websites and relatively sophisticated switches may be able to adopt such a system almost immediately.
5. The time between when a call is made and when the CDR is available on line. More technical information is needed to address this question.

DISPUTE RESOLUTION

From time to time there will be errors on the part of all parties. At such times, a dispute resolution system should be available to rapidly reconcile differences or offer added options.

The most common disputes may come from issues such as the ownership of a given payphone ANI, the designation of a given ANI as a payphone, an error in transmission of payphone-specific info-digits, etc.

In addition, there is a not-insignificant error rate in the billing records of some IXC's regarding inbound calls to an SBR. SBRs often have established methods of resolving such disputes, and the records of these disputed calls shall be made available, when needed, for the settlement of disputes. Some provisions of any final system may include:

1. A standard dispute form shall be developed which shall be filled out by the PSP and provided to an SBR via email when there is concern of underpayment. The information contained shall include: (a) the period under dispute; (b) the specific allegations relating to reason for the dispute, and; (c) a list of all of its payphone ANIs for which it believes it is not receiving appropriate compensation; (d) any information which would demonstrate error on the part of the SBR.
2. After receipt of the complaint, the SBR should have an initial five business days to acknowledge receipt of the complaint.
3. The SBR shall respond to the dispute form within 15 business days, with the following: (a) a statement as to whether or not the SBR admits liability; or (b) a statement of non-liability with the documentation showing lack of liability; or (c) a statement of non-liability noting the extent of the documentation showing lack of liability, and the reason for the non-availability of any information, what missing information is being assembled and the date on which the information will be provided.
4. Should a dispute not be settled amicably, either party may take the matter to the American Arbitration Association. The AAA will establish a list of arbitrators, and the two parties must agree on an arbitrator, or, if one can

not be agreed upon, then each will choose an arbitrator and those arbitrators will select a third. The parties agree that the arbitrator[s'] decision is binding, and the arbitrator[s] will decide which party will bear the costs of the arbitration, based on which party prevails or was most benefited by the arbitration. In some circumstances, the arbitrator[s] may decide that both sides bear equal responsibility for the dispute and decide that the costs of arbitration will be shared equally. In addition, the arbitrator[s] shall be empowered to impose punitive damages in instances of grievous or intentional error. In such disputes, either party may require discovery, including an audit of the SBR's systems, records, equipment and programming. We note that should an arbitrator find against the SBR, the decision could require the SBR to bear the costs of discovery.

LIABILITY/INDEMNIFICATION

SBRs will agree to assume the liability for all completed, compensable calls routed to them by an IXC that are not otherwise compensated due to an error in the SBR's call tracking data provided to the IXC.